

abandon the field in May, 1698. The Bank of Scotland repaid to their shareholders the two-tenths of the capital called in and continued for several years without a rival. No deposits were received at first from the public, but notes were issued against the capital of the denominations of £5, £10, £20, £50, and £100. Notes for £1 were first issued between 1699 and 1704. A run was begun in December of the latter year, which compelled the bank to suspend specie payments. A meeting of the proprietors was held and a device adopted which is still of interest because it is similar to the existing laws of Canada and Germany in the case of failed banks. This device consisted in making the notes bear interest until they were paid and resulted in keeping the notes at par. Payment was made with interest in less than five months, by means of a new call upon the proprietors for one-tenth of the nominal capital. Another run upon the bank was made in September, 1715, when the rebellion on behalf of the Stuarts broke out, and the withdrawal of coin by the presentation of the notes was encouraged by the bank directors in order to prevent the seizure of the coin reserve by the insurgents. The bank suspended payment after most of the cash had been withdrawn and gave notice again that the notes would bear interest until paid. The monopoly of banking for twenty-one years expired in 1716 and no steps were taken to renew it.

The second successful bank in Scotland was formed, as in the case of the Bank of Venice and Bank of England, by the proprietors of the public debt, which they assumed on the union with England. An act which was passed in 1719 empowered the King to incorporate the proprietors of the debt into a body corporate, which was organized in 1724. The new corporation endeavored to secure admission to the Bank of Scotland, upon the terms of increasing the capital of the united bank by the sum of £250,000,—the principal of the debt,—and the division of the annual interest of £100,000 in the proportion of two-sevenths to the shareholders of the bank and five-sevenths to the holders of the debt. The bank was making dividends which were declared by rivals to